

## Message Text

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TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS  
AMEMBASSY MOSCOW  
AMEMBASSY PARIS  
INFO CINCPAC HONOLULU HAWAII 0000  
COAST GUARD WASHDC 0000  
GOVGUAM 0000  
TREASURY DEPARTMENT WASHDC 0000  
JCS WASHDC 0000

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ATTN PARIS FOR JACK MARESCA

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: JULY 26 EA PRESS SUMMARY

### 1. CHINA

WSJ REPORTS PRES CARTER HAS DECIDED ALLOW SCHLESINGER ACCEPT  
PRC INVITATION TO DISCUSS US ASSISTANCE IN DEVELOPING  
CHINESE OFFSHORE OIL RESERVES. NOTES PLANS FOR TRIP COME  
ON HEELS OF ADMIN'S DECISION CLOSELY TO CONTROL EXPORTS OF  
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US OIL-DEVELOPMENT TECHNOLOGY TO SOVIETS.

WP'S OBERDORFER REPORTS USG SOURCES GAVE CONFLICTING  
RENDITIONS OF RELATIONSHIP OF US ACTION IN EXCHANGE FIELD--  
SOME OFFICIALS DENYING AND SOME AFFIRMING THAT CHINA  
DECISIONS WERE PART OF US REACTION TO DEVELOPMENTS IN  
MOSCOW. SAYS SCHLESINGER TRIP BEING DESCRIBED IN OFFICIAL  
QUARTERS AS RETURN VISIT FOR TOUR OF US EARLIER THIS YR BY  
CHINESE PETROLEUM/ENERGY EXPERTS; OBSERVES, HOWEVER, THAT  
SCHLESINGER'S "STRONG VIEWS" ABOUT RUSSIA AND HIS GROWING

ROLE AS PARTICIPANT IN ADMIN DECISION MAKING ON STRATEGIC/NUKE MATTERS ARE EXPECTED ENSURE WARM WELCOME FROM CHINESE AND SPECIAL CONCERN ON PART OF RUSSIANS. ACCORDING OBERDORFER, OTHER OFFICIAL EXCHANGES W/PRC ARE ALSO IN WORKS.

ITC RECOMMENDED TO PRES CARTER TUES THAT HE IMPOSE IMPORT QUOTAS FOR 3 YRS ON WOODEN CLOTHESPINS PRODUCED IN PRC--1ST SUCH SANCTIONS AGAINST ANY COMMUNIST NATION (UPI, NYT; JOC; REUTER 7/25). UPI NOTES PRC'S CLOTHESPIN SALES IN US LAST YR TOTALED 447,000 DOLS. JOC STAFF REPORT OBSERVES AMOUNT OF TRADE INVOLVED IS NOT MUCH; BUT CASE, IN SYMBOLIC TERMS, COULD BE SIGNIFICANT, SINCE IT WILL MARK 1ST NEW IMPORT CURB ON PEKING SINCE US BEGAN IMPROVING RELS IN '71. JOC REPORT SAYS HOW CARTER HANDLES CLOTHESPIN CASE WILL BE WATCHED CLOSELY, ESPECIALLY SINCE ADMIN HAS BEEN RELUCTANT TO NEGOTIATE IMPORT RESTRICTIONS ON CHINESE TEXTILES--DESPITE US TEXTILE INDUSTRY'S PERSISTENT CALL FOR IMPORT CURBS.

NCNA ANNOUNCED WEDS THAT NEW RR SCHEDULES WILL BE INTRODUCED THRUOUT PRC AUG 1 WITH FASTER/MORE FREQUENT TRAINS AND EXPRESS PASSENGER SERVICE BETWN PEKING/ALL UNCLASSIFIED

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PROVINCIAL CAPITALS EXCEPT LHASA. REUTER (PEKING) NOTES CHINA PLANS BUILD 6 NEW TRUNK RAILROADS BY '85 AS PART OF ITS GOALS.

US SENATE VOTED (94-0) WEDS TO URGE ADMIN CONSULT W/IT BEFORE MAKING ANY POLICY CHANGES AFFECTING CONTINUATION OF MUTUAL DEFENSE TREATY W/ROC. DOLE-STONE AMENDMENT STATES THAT DURING 24 YRS TREATY HAS BEEN IN FORCE, ROC HAS "FAITHFULLY AND CONTINUALLY CARRIED OUT ITS OBLIGATIONS" UNDER TREATY. AT URGING OF LIBERAL SENS, AMENDMENT CHANGED TO DELETE PASSAGE STATING THAT TREATY "IS INTEGRAL TO THE BROADER NORTH ASIAN SECURITY ARRANGEMENTS" AMONG US/ROK/JAPAN (REUTER 7/25).

PM DESAI SAID TUES THAT 2 BALLOONS CARRYING LEAFLETS CALLING FOR REVOLT IN PRC STRAYED INTO INDIA FROM ROC EARLIER THIS MONTH. ADDED THAT BALLOONS, WHICH ALSO CONTAINED PIECES OF TOFFEE/TOWELS, LANDED 2 WKS AGO IN MADHYA PRADESH VILLAGE (REUTER NYT).

## 2. CHINA/JAPAN

GOJ SOURCES SAY PRC-JAPAN TALKS ON PEACE/FRIENDSHIP TREATY BOGGED DOWN OVER INTERPRETATION OF ANTIHEGEMONY CLAUSE. STATE PEKING HAS APPARENTLY REJECTED NEW JAPANESE DRAFT CONCERNING CLAUSE, BUT NEGOTS DID NOT BREAK DOWN. BOTH SIDES TO MEET AGAIN 7/27/DISCUSS

WHETHER TALKS SHOULD BE SHIFTED TO HIGHER POL LEVEL  
(REUTER TOKYO).

JOC'S CULLISON (TOKYO) REPORTS JAPAN/PRC HAVE  
REACHED AGREEMENT THAT JAPANESE WILL PURCHASE

300,000 TONS CHINESE COKING COAL THIS YEAR, W/INCREASED  
SHIPMENTS FORESEEN IN FUTURE YEARS.

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### 3. JAPAN

IN ITEM ON YEN DECLINE, WP'S PINE SAYS US OFFICIALS CON-  
FIRM THEY HAVE NO PLANS TAKE ANY NEW ACTION DEAL  
W/SITUATION. YEN'S APPRECIATION EXPECTED HEIGHTEN  
PRESSURE ON JAPAN TO STIMULATE ITS ECON/HELP INCREASE  
IMPORTS. MITI MIN KOMOTO TOLD REPORTERS IN TOKYO  
GOJ MUST ACT NOW SPUR DOMESTIC DEMAND/BRING IN  
EMERGENCY IMPORTS.

OFUSA (NYT TOKYO) ADDS JAPANESE ATTENTION NOW  
FOCUSED ON US TRADE/CONSUMER PRICE DATA--DUE OUT  
SOON--TO PROVIDE CLUE TO DOLLAR'S FUTURE. ALSO,  
GOJ SCHEDULED REVIEW ECON STIMULATION POLICY AT  
7/27 MEETING MINISTERIAL COUNCIL FOR ECON AFFAIRS.

TOKYO UNIV RESEARCH TEAM WARNS POTENTIALLY DEVASTATING  
EARTHQUAKE COULD STRIKE N JAPAN AT ANY TIME/MAY BE  
MORE POWERFUL THAN LAST MONTH'S QUAKE, WHICH CLAIMED  
22 LIVES (REUTER TOKYO).

REUTER'S FOLEY (ABOARD JAPANESE MISSILE DESTROYER,  
7/25) DOES FEATURE ON JAPANESE NAVY, OR "MARITIME  
SELF DEFENSE FORCES." CITES IMPRESSIVE LIVE FIRING  
EXERCISES CONDUCTED, BUT NOTES MAJORITY MIL OFFICERS--  
JAPANESE OR OTHERWISE--BELIEVE COUNTRY'S NAVY  
"WOEFULLY INADEQUATE" MEET ANY LIKELY MISSIONS IN  
WAR. HOWEVER, DUE POL REASONS, PLAN WHICH JAPAN  
NOW STUDYING TO EXPAND MIL UNLIKELY OFFER ANY  
GREAT LEAP FORWARD FOR NAVY.

### 4. JAPAN/KOREA

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ACCORDING INFORMED SOURCES, FUKUDA SAID 7/25 THAT  
RECOGNITION OF BOTH NK/SK BY JAPAN/US/USSR/PRC  
COULD BE REALISTIC WAY OF KEEPING PEACE ON KOREAN  
PENINSULA, BUT ADDED THIS WOULD BE IMPRACTICAL NOW.

PM MADE REMARK WHEN ASKED BY SKOREAN OPPOSITION LEADER, LEE CHUL SEUNG, FOR JAPAN'S COOPERATION IN REALIZING SO-CALLED "CROSS RECOGNITION" OF BOTH KOREAS (REUTER TOKYO 7/25).

5. KOREA

HOUSE SPKR O'NEILL HAS CONFIRMED 7/25 REPORTS THAT HOUSE MEMBERS SEEKING MEETING W/PRES PARK TO DISCUSS

REQUEST FOR KIM DONG JO'S TESTIMONY. SAID DOS HAS INSTRUCTED AMB GLEYSTEN DELIVER REQUEST TO PARK (AP, NYT). WSTAR'S SARRO (7/25) SAID O'NEILL/HOUSE GOP LEADER RHODES SENT JOINT MESSAGE TO PARK LAST WK WHICH SAID IT WAS TIME "FOR DISCUSSIONS ON THE HIGHEST LEVELS" ABOUT KIM. ALSO, ACCORDING CONGRESSIONAL SOURCES, PARK SENT MESSAGE TO CAPITOL HILL LEADERS LAST WEEKEND THRU DOS EXPRESSING "RELUCTANCE" SEE CONGRESSMEN, BUT O'NEILL/RHODES HAVE ASKED DOS PURSUE MATTER.

6. BIKINI ISLANDS

UN'S MARTIN (MAJURO) REPORTS BIKINI ISLANDERS HAVE TOLD US OFFICIALS THEY WILL REFUSE GOVT ORDER THAT THEY RELOCATE AGAIN. TRUST TERR HIGH COMMISSIONER WINKEL HAS OFFERED ISLANDERS CHOICE OF 4 TEMPORARY RESETTLEMENT SITES/SAID MOVE NECESSARY, DUE HIGH CONCENTRATION RADIOACTIVE CONTAMINATION AT PRESENT LOCATION. MARTIN SAYS BIKINIANS HAVE SEND DISPATCH TO MARSHALL ISLANDS DISTRICT HQTRS STATING THEIR INTENTION NOT LEAVE/OFFERING GIVE US WAIVER RELEASING UNCLASSIFIED

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USG FROM RESPONSIBILITY FOR HEALTH CONSEQUENCES OF CONTINUED EXPOSURE TO BIKINI'S RADIATION. MARSHALL ISLANDS' ATTY WINN SAID WAIVER PROPOSAL FOUND UNACCEPTABLE BY WASHINGTON OFFICIALS.

7. CAMBODIA/VIETNAM

VIET MIG WARPLANES CROSSED INTO CAMBODIA IN PAST FEW DAYS, BOMBING MAJOR HIGHWAY, ACCORDING RADIO PP. BROADCAST SAID 2 MIG-19S WERE SHOT DOWN IN RAIDS WHICH KILLED 3/CUT OFF MAIN ROAD IN PARROT'S BEAK. ALSO CLAIMED SUPPORTERS OF FORMER RVN HAVE FORMED RESISTANCE GROUPS/ARE OPERATING AGAINST SRV (REUTER BANGKOK).

8. VIETNAM

DYING FROM CANCER HE BELIEVES CAUSED BY EXPOSURE TO MIL DEFOLIANT "AGENT ORANGE," VIET VET IS SEEKING 10 MIL DOLS

IN DAMAGES FROM 3 US CHEMICAL COS THAT MFGRD POISON.  
VICTIM, 28-YR-OLD PAUL REUTERSHAN, HAS FILED SUIT IN NY  
SUPEREME COURT/FORMED "AGENT ORANGE VICTIMS INTL" TO LOCATE/  
COUNSEL/ASSIST OTHER VETS EXPOSED TO HERBICIDE (DALY,  
NYDN).

9. MALAYSIA

GOM, MTG IN BELGRADE W/NON-ALIGNED COUNTRIES, INTENDS USE  
MTG TO SEEK GREATER OUTLETS FOR MALAYSIAN PRODUCTS/POINT  
OUT THAT NON-ALIGNED MOVEMENT SHOULD BECOME MORE CONCERNED  
W/ECON DEVEL (JOC SPEC KL).

10. INDOCHINA REFUGEES/AUSTRALIA

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NORWEGIAN FREIGHTER ARRIVED HK WEDS W/40 VIET REFUGEES,  
PICKED UP IN S CHINA SEA (REUTER HK).

IN LESS SUCCESSFUL ATTEMPT TO FLEE, MORE THAN 200 VIET  
REFUGEES DROWNED WHEN BOAT CAPSIZED LAST WK IN S CHINA  
SEA. ACCOUNT GIVEN BY REFUGEES TO AUSSIE IMMIGRATION MIN  
WHEN HE VISITED MALAYSIA'S LARGEST REFUGEE CAMP TUES  
(REUTER KL).

WSJ'S NEWMAN (DARWIN) DOES FEATURE ON DARWIN, AUSTRALIA,  
SHOWING HISTORY OF ANTI-IMMIGRATION SENTIMENT. NOTES  
LOCAL GOVT AGAIN PATROLLING COAST FOR ARRIVING REFUGEES.  
IT HAS HIRED 13 SMALL PLANES/IS CALLING FOR REACTIVATION  
OF COAST WATCH. SAYS ANTI-WAR MOVEMENT THERE HAS EVOLVED  
INTO ANTI-REFUGEE MOVEMENT, THAT TRADES/LABOR COUNCIL  
CONTENDS VIETS AREN'T LEGITIMATE REFUGEES, BUT CORRUPT  
CAPITALISTS/POTENTIAL TERRORISTS. QUOTES ONE MEMBER:  
"WE'RE BEING FORCED BY THE BLOODY YANKS TO TAKE THESE  
PEOPLE--THE SCUM OF VIETNAM--AS IF 'WE' LOST THE WAR."

COMMENT AND ANALYSIS

11. KOREA

CSM'S MORITZ (SEOUL) SAYS EVEN THO PRES PARK APPEARS  
STRONGER TODAY THAN YR AGO, "POTENTIAL CRACKS"IN ROKG'S  
ARMOR HAVE LED SOME ANALYSTS EXPECT WEAKENING IN PARK'S  
REGIME SHOULD ECON FALTER. NOTES CONTINUING INFLATION  
MAY CUT INTO COUNTRY'S EXPORTS/SLOW EMPLOYMENT/BRING  
PRESSURE ON GOVT INCREASE WAGES/FOSTER LABOR UNREST.  
HOWEVER, MORITZ FINDS NO IMMEDIATE THREAT TO PARK, AS HIS  
OPPOSITION DISORGANIZED--WITH ROKG "DOING ITS BEST TO  
KEEP IT THAT WAY."

MACNELLY CARTOON (WP) SHOWS O'NEILL/JAWORSKI HUNTING--W/

HUNTING DOG LABELED "KOREAGATE PROBE." DOG POINTING  
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DIRECTLY AT O'NEILL, WHICH PROMPTS SPEAKER SAY, "TO HELL  
WITH THE BIRDS, JAWORSKI, SHOOT THE DOG"

12. BONN ECON SUMMIT

BROOKINGS' ROBT SOLOMON FINDS SEVERAL ASPECTS OF BONN  
COMMUNIQUE MAKE GOOD SENSE, BUT STATES SOME REMARKS  
UTTERED BY/ATTRIBUTED TO HEADS OF GOVT "DISQUIETING."  
WONDERS HOW WELL SUMMIT LEADERS UNDERSTAND ECON ISSUES W/  
WHICH THEY WERE DEALING. AS EXAMPLE, SAYS FUKUDA'S CLAIM  
THAT WORLD'S ECON PROBLEMS DUE US FAILURE CUT OIL IMPORTS  
"MAKES NO ECONOMIC SENSE." OPINES JAPAN'S POLICIES  
"PRIMARILY RESPONSIBLE" FOR ITS ECON STAGNATION/YEN'S  
APPRECIATION (JOC).

JOC EDIT BELIEVES ALL MAJOR COUNTRIES HEADING IN RIGHT  
DIRECTION W/THEIR ECON POLICIES, BUT SAYS SOME HAVE NOT  
GONE FAR ENOUGH/SUMMIT COMMUNIQUE "TAKES SOME STEPS  
BACKWARD." FINDS LACKING IN BONN DECLARATION MENTION OF  
NEED REDUCE GOVT SPENDING/TAXES/BUDGET DEFICITS. OPINES  
FRANCE/FRG/JAPAN COMMITMENTS WILL NOT NECESSARILY BE  
REALIZED, DUE FACT THEIR PROMISES MUST GO THRU RESPECTIVE  
PARLIAMENTS. VANCE

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